

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 30, 2005

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. PUC-2003-00110

Ex Parte: Establishment of Rules
for Service Quality Standards for
the Provision of Local Exchange
Telecommunications Services

FINAL ORDER APPROVING RULES
FOR LOCAL EXCHANGE TELECOMMUNICATIONS
COMPANY SERVICE QUALITY STANDARDS

On August 1, 2003, the State Corporation Commission ("Commission") took under consideration the Staff's proposed Rules for Local Exchange Telecommunications Company Service Quality Standards (to be codified at 20 VAC 5-427-10 et seq.) ("Rules") for replacement of the Rules Governing Service Standards for Local Exchange Telephone Companies codified at 20 VAC 5-400-80 ("current rules").¹ Pursuant to the Order for Notice and Comment, interested parties were permitted to comment on, propose modifications or supplements to, or request a hearing on the Rules. Interested parties were further requested to comment on a proposed Bill of Rights and selected matters that may be addressed in a final rulemaking.²

Comments were filed by the following industry participants: Verizon Virginia Inc. and Verizon South Inc. (collectively, "Verizon"); United Telephone - Southeast, Inc., Central Telephone Company of Virginia, and Sprint Communications Company of Virginia

¹ Order Prescribing Notice and Granting Leave to Comment or Request Hearing, August 1, 2003, Case No. PUC-2003-00110 ("Order for Notice and Comment").

² Order for Notice and Comment, pp. 2-3.

(collectively, "Sprint"); Cavalier Telephone, LLC ("Cavalier"); NTELOS Inc. ("NTELOS"); AT&T Communications of Virginia, LLC ("AT&T"); WorldCom, Inc. ("MCI"); Cox Virginia Telecom, Inc. ("Cox"); the Virginia Telecommunications Industry Association ("VTIA"); and the Virginia Cable Telecommunications Association ("VCTA"). The Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel"), the Virginia Citizens Consumer Council ("VCCC"), and several other members of the public also filed comments.

Sprint alone requested a hearing on the Rules in order to address issues raised in its comments. Other commenting parties requested revisions to the Rules and another opportunity to comment and/or request a hearing.³ Finally, several commenting parties addressed the selected matters presented in the Order for Notice and Comment.⁴

The Staff then proposed in response to all filed comments a revision to the Rules and to the originally proposed Bill of Rights.

³ Comments by the following interested parties proposed specific revisions to the Rules: Verizon, Cavalier, NTELOS, MCI, Cox, VTIA, and VCTA. AT&T objected to the Rules in their entirety, while alternatively suggesting specific revisions.

⁴ The selected matters announced in the Order for Notice and Comment that may be addressed in a final rulemaking include the following four questions:

1. Should there be further requirements for telephone directory information in addition to the proposed requirements of 20 VAC 5-427-130 Directories in Attachment A to the Order for Notice and Comment;
2. Should the directory be competitively neutral, and, if so, what are the requirements to ensure neutrality;
3. What standards, if any, should there be to ensure telephone billing accuracy, and what metrics should there be to gauge compliance with any such billing accuracy standards; and
4. What standards, if any, should there be to measure the overall intelligibility of the telephone bill, and what methodology should there be for measuring compliance with any such standards?

These four questions are resolved by our ultimate rulemaking as ordered herein below. The final rules adopted are pursuant to stipulation. Therefore, the comments addressing the four questions are deemed superseded by the ultimate stipulation reached by the Stipulating Parties, and the Commission will not address these questions further in this case.

On October 13, 2004, the Commission took under consideration the Staff's proposed revised Rules for Local Exchange Company Service Quality Standards (to be codified at 20 VAC 5-427-10 et seq.) ("Revised Rules") for replacement of the current rules, and also the Staff's proposed revised Telecommunications Bill of Rights ("Revised Bill of Rights").⁵ Pursuant to the Second Order for Notice and Comment, interested parties were permitted to comment on, propose modifications or supplements to, or request a hearing on the Revised Rules and Revised Bill of Rights. The Commission also took under advisement the comments previously filed.⁶ Comments on the Revised Rules and Revised Bill of Rights were subsequently filed by members of the public and the following industry participants: VCTA; Cox; Verizon; Sprint; NTELOS; and MCImetro Access Transmission Services of Virginia, Inc. ("MCImetro"). Comments were also filed by the Consumer Counsel, and by Mrs. Irene E. Leech on behalf of the VCCC.

On July 18, 2005, the Staff filed a Stipulation and Motion to Approve Stipulation ("Motion"), which, for settlement purposes, presents for approval by the Commission certain stipulated Rules for Local Exchange Telecommunications Company Service Quality Standards (Chapter 427) ("Settlement Rules"), and a Telecommunications Bill of Rights ("stipulated Bill of Rights").⁷ Pursuant to the Stipulation, the Stipulating Parties jointly present the Settlement Rules and urge their adoption for measuring the health of the telecommunications network and assuring a minimum level of service quality for all consumers. The Stipulating Parties further agree that the Settlement Rules constitute a negotiated resolution of this rulemaking proceeding that is

⁵ Second Order Prescribing Notice and Granting Leave to Comment or Request Hearing, October 13, 2004, Case No. PUC-2003-00110 ("Second Order for Notice and Comment").

⁶ Second Order for Notice and Comment, p. 3.

⁷ The commenting parties executing the Stipulation include: VCTA; Cox; Verizon; Consumer Counsel; Sprint; NTELOS Inc., the parent company of NTELOS Telephone, Roanoke and Botetourt Telephone, NTELOS Network, and R&B Network; AT&T; Cavalier; MCImetro; and the VTIA ("Stipulating Parties"). The Staff further reports that the VCCC has been consulted and is in agreement with the Settlement Rules and the stipulated Bill of Rights.

consistent with the local exchange telephone service competition policy of § 56-235.5:1 of the Code of Virginia. The Stipulating Parties waive further comment and hearing on their recommended Settlement Rules. The Stipulating Parties further recommend the adoption of the stipulated Bill of Rights.

On July 19, 2005, the Commission determined that the Settlement Rules should now be considered for replacement of the Revised Rules previously taken under consideration by our Second Order for Notice and Comment, and that the Settlement Rules and stipulated Bill of Rights should be published in the Virginia Register of Regulations. Interested persons not participating in the Stipulation and wishing to comment on, propose modifications or supplements to, or request a hearing on the Settlement Rules or stipulated Bill of Rights were granted leave to file such comments, proposals, or requests for hearing with the Clerk of the Commission on or before September 8, 2005.⁸

We take judicial notice that the Settlement Rules and stipulated Bill of Rights were published in the Monday, August 8, 2005, edition of the Virginia Register of Regulations.⁹

⁸ Third Order Prescribing Notice and Granting Leave to Comment or Request Hearing ("Third Order"), issued July 19, 2005.

⁹ The Commission is informed by the Virginia Registrar of Regulations that corrections to the regulations published on August 8, 2005, will appear in Virginia Register of Regulations, as follows:

Page 3372, 20 VAC 5-427-10, definition of "Customer," line 4, after "provided by a LEC" reinsert "that are"

Page 3375 20 VAC 5-427-100 subdivision 1, line 1, after "immediate" insert "[direct]"

Page 3376. 20 VAC 5-427-110, subdivision 1, line 1, after "changed" insert "[telephone]"; line 2, after "former" insert "[telephone]"; and line 4, after "current" insert "[printed]"

Page 3381, 20 VAC 5-427-130, subsection L, line 7, change "services" to "service"

Thus, the Commission finds that the Settlement Rules and stipulated Bill of Rights have been duly published.

No further comments, proposed modifications, or requests for hearing were filed pursuant to the Third Order. Therefore, the Commission concludes that there are no objections to the Commission's adoption of the Settlement Rules and stipulated Bill of Rights in this rulemaking proceeding.

NOW THE COMMISSION, having considered the record in this matter, is of the opinion that the current rules codified at 20 VAC 5-400-80 should be repealed and the Settlement Rules (Chapter 427) should be adopted unchanged, effective November 1, 2005. The stipulated Bill of Rights, while not a part of the Commission's rulemaking, is also adopted for dissemination to the public. All local exchange companies are encouraged to include the stipulated Bill of Rights in directories published and the Division of Communications is directed also to disseminate the stipulated Bill of Rights.

Accordingly, IT IS ORDERED THAT:

- (1) The current rules codified at 20 VAC 5-400-80 are hereby repealed, effective November 1, 2005.
- (2) The Rules for Local Exchange Telecommunications Company Service Quality Standards (adding 20 VAC 5-427-10 through 20 VAC 5-427-170) are hereby approved, effective November 1, 2005.
- (3) The stipulated Bill of Rights is hereby adopted, consistent with the findings above.
- (4) The Commission's Division of Information Resources shall forward this Order and the attached rules and Bill of Rights to the Registrar of Regulations for publication in the Virginia Register of Regulations.
- (5) There being nothing further to come before the Commission, this matter is hereby closed.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel,

Office of Attorney General, 900 East Main Street, Second Floor, Richmond, Virginia 23219;
Ms. Irene E. Leech, Virginia Citizens Consumer Counsel, 4220 North Fork Road, Elliston,
Virginia 24087; Ms. Adria M. Woods, 2800-G Foxhunt Lane, N.W., Blacksburg, Virginia
24060; Hon. William Roscoe Reynolds, P.O. Box 404, Martinsville, Virginia 24114-0404;
Mr. Stephen McClelland, #180075, Buckingham Correction Center, P.O. Box 430, Dillwyn,
Virginia 23936-0430; all local exchange carriers certified in Virginia as set out in Appendix A;
and the Commission's Office of General Counsel and the Division of Communications.